

JOINT CONFERENCE COMMITTEE REPORT

1 **on House Bill No. 1400**

2 We, the conferees, appointed by the respective bodies to consider and report upon the disagreeing
3 vote on **House Bill No. 1400**, report as follows:

4 A. We recommend that the Senate Amendments be rejected.

5 B. We recommend that the attached Amendment in the Nature of a Substitute (23107602D) be
6 accepted to resolve the matter under disagreement.

Respectfully submitted,

Delegate Barry D. Knight

Delegate Terry L. Austin

Delegate Robert S. Bloxom, Jr.
Conferees on the part of the House

Senator Janet D. Howell

Senator George L. Barker

Senator Richard L. Saslaw
Conferees on the part of the Senate

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HOUSE BILL

NO. 1400

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee

on February 25, 2023)

(Patron Prior to Substitute--Delegate Knight)

A BILL to amend and reenact Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, and to amend Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, by adding items numbered 138.10 and C-79.50, relating to general appropriation act.

Be it enacted by the General Assembly of Virginia:

1. That Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I are amended and reenacted and that Chapter 2 of the Acts of Assembly of 2022, Special Session I is amended and reenacted by adding items numbered 138.10 and C-79.50, as follows:

a	Item Details(\$)		Appropriations(\$)	
	First Year	Second Year	First Year	Second Year
	FY2023	FY2024	FY2023	FY2024
b	267. Revenue Stabilization		\$1,127,733,028	\$0 <u>\$405,952,425</u>
	Fund (73500)			
c	Payments to the	\$1,127,733,028	\$0 <u>\$405,952,425</u>	
	Revenue Stabilization			
	Fund (73501)			
d	Fund Sources:			
e	General	\$1,127,733,028	\$0 <u>\$405,952,425</u>	

Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.

17 A. On or before November 1 of each year, the Auditor of Public Accounts shall report to the
18 General Assembly the certified tax revenues collected in the most recently ended fiscal year. The auditor
19 shall, at the same time, provide his report on the 15 percent limitation and the amount that could be paid
20 into the fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the
21 Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.

22 B. Out of this appropriation, \$1,127,733,028 the first year from the general fund attributable to
23 actual tax collections for fiscal year 2021 shall be paid by the State Comptroller on or before June 30,
24 2023, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is based
25 on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2021. This
26 appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of
27 Virginia.

28 C. 1. Notwithstanding the provisions of subsection E of § 2.2-1829 and subsection F of § 2.2-
29 1831.3, Code of Virginia, through June 30, 2024, the combined amount in the Revenue Stabilization Fund
30 and the Revenue Reserve Fund shall not exceed 20 percent of the Commonwealth's average annual tax
31 revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts for
32 the three fiscal years immediately preceding.

33 2. The Secretary of Finance shall prepare a report to include recommendations for consideration
34 of any adjustments to, or a removal of, the existing cap on the combined balance of the Revenue
35 Stabilization Fund and the Revenue Reserve Fund, pursuant to subsection E of § 2.2-1829 and subsection
36 F of § 2.2-1831.3, Code of Virginia, which shall be delivered to the Governor and the Chairs of the House
37 Appropriations Committee and Senate Finance and Appropriations Committee by September 1, 2022.

38 D.1. Out of this appropriation, \$405,952,425 the second year from the general fund attributable to
39 actual tax collections for fiscal year 2022 shall be paid by the State Comptroller on or before June 30,
40 2024, into the Revenue Stabilization Fund pursuant to §2.2-1829, Code of Virginia.

41 2. Notwithstanding the provisions of §2.2-1831.3 and §2.2-1831.4, Code of Virginia, the State
42 Comptroller shall transfer \$498,700,000 from the Revenue Reserve Fund to the Revenue Stabilization
43 Fund on or before June 30, 2024. This amount was provided in Chapter 1, 2022 Acts of Assembly, Special

44 Session I, as an advanced reservation for the mandatory deposit to the Revenue Stabilization Fund required
 45 in fiscal year 2024.

46 3. The combined total of the actions authorized in this paragraph, \$904,652,425, is based on the
 47 certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2022. These actions
 48 meet the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

a	Item		Appropriations(\$)	
	Details(\$)			
	First Year	Second Year	First Year	Second Year
	FY2023	FY2024	FY2023	FY2024
b 269. Personnel			\$31,359,934	\$281,359,934
Management	-	-		\$31,359,934
Services (70400)				
c <u>Administration of</u>	-	-		
<u>Retirement and</u>	-	-		
<u>Insurance Programs</u>	-	-		
<u>(70415)</u>	<u>\$250,000,000</u>	<u>\$0</u>		
Employee Flexible	-	-		
Benefits Services	-	-		
(70420)	\$31,359,934	\$31,359,934		
d Fund Sources:				
e General	<u>\$250,000,000</u>	<u>\$0</u>		
Trust and Agency	\$31,359,934	\$31,359,934		

49 Authority: Title 2.2, Chapter 8, Code of Virginia.

50 Pursuant to the amounts contingently appropriated in Item 485, paragraph L of this act, on or
 51 before June 30, 2023, the State Comptroller shall deposit \$250,000,000 from the general fund into the
 52 Virginia Retirement System trust fund. The Virginia Retirement System shall allocate these funds in the
 53 following manner in an effort to address the unfunded liabilities associated with each plan:

1. An amount estimated at \$73,052,105 to the state employee plan.
2. An amount estimated at \$147,457,029 to the public school teacher plan.
3. An amount estimated at \$3,652,605 to the State Police Officers' Retirement System.
4. An amount estimated at \$6,628,802 to the Virginia Law Officers' Retirement System.
5. An amount estimated at \$2,083,338 to the Judicial Retirement System.
6. An amount estimated at \$2,840,915 to the health insurance credit plan for state employees.
7. An amount estimated at \$4,004,338 to the health insurance credit plan for public school teachers.
8. An amount estimated at \$10,146,126 to the group life insurance plan.
9. An amount estimated at \$91,992 to the health insurance credit plan for Constitutional Officers and their employees.
10. An amount estimated at \$40,585 to the health insurance credit plan for local social services employees.
11. An amount estimated at \$2,165 to health insurance credit plan for the Registrars and their employees.

<u>a</u>	<u>Item Details(\$)</u>		<u>Appropriations(\$)</u>	
	<u>First Year</u>	<u>Second Year</u>	<u>First Year</u>	<u>Second Year</u>
	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>
<u>b</u> <u>C-</u> <u>2022 Capital</u>			<u>\$100,000,000</u>	<u>\$0</u>
<u>79.50</u> <u>Supplement Pool</u>				
<u>(18646)</u>				
<u>c</u> <u>Fund Sources:</u>				
<u>d</u> <u>General</u>	<u>\$100,000,000</u>	<u>\$0</u>		

- A. Included in this Item is \$100,000,000 the first year from the general fund that is designated for project supplements to address shortfalls for projects and central capital construction pools.
1. In fulfillment of the requirement in paragraph L, Item 485 of this act, there is included \$100,000,000 from the general fund in the first year.

72 2. Funding provided in this Item and remaining from Item C-69.60 of Chapter 1, 2022 Acts of
73 Assembly, Special Session I, may be transferred and used for the purposes described in paragraph B. of
74 this Item, pursuant to the approval process and requirements in paragraph C. of this Item.

75 B.1. Notwithstanding § 2.2-1519 E.1., Code of Virginia., funding may be used to address shortfalls
76 for capital projects that (i) were previously authorized for construction in a central construction pool
77 subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the
78 requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) have received a funding report from
79 the Department of General Services prior to April 1, 2022.

80 2. Funding may be used for projects, within the limits of the 105 percent cost threshold set forth
81 in § 2.2-1519 E.1., Code of Virginia, that (i) were authorized for construction in a central construction
82 pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the
83 requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) had not received a funding report as of
84 April 1, 2022.

85 3. Funding may be used to address shortfalls for projects that have been authorized in an
86 Appropriation Act or other authorizing legislation for construction that were not budgeted in a central
87 construction pool, provided that the agency is unable to use additional value engineering or reduce the
88 size or scope of the project to remain within available appropriation while meeting the original
89 programmatic intent of the appropriation.

90 4. Funding may be used to address shortfalls in central capital construction pools that have
91 insufficient funding remaining to meet the outstanding needs of projects authorized within a given pool.

92 C.1. A transfer authorized by this Item may only be effectuated if (i) the Director of the Department
93 of Planning and Budget provides notice of the amount and purpose of any such proposed transfer to the
94 Six-Year Capital Outlay Plan Advisory Committee; and (ii) no member of the committee or their designee
95 objects, in writing or via email, to the transfer within 14 days of receiving such notice. If an objection is
96 received, the committee may discuss such proposed transfer at its next meeting and vote as to whether to
97 recommend such transfer.

2. Specific project allocations for transfer from this Item shall be based upon recommendations from the Department of General Services.

3. Supplemental amounts determined in accordance with paragraph B.1., B.2., and B.3. of this Item shall be adjusted to match the proportion of a project's total cost supported by general fund as set forth in the funding report, Appropriation Act, or other authorizing legislation.

4. After receiving funds pursuant to paragraphs B.1. or B.3. of this Item, projects shall comply with the provisions of paragraph K. of § 2.0 of this act.

Direct Aid to Public Education

<u>a</u>	<u>Item Details(\$)</u>		<u>Appropriations(\$)</u>	
	<u>First Year</u>	<u>Second Year</u>	<u>First Year</u>	<u>Second Year</u>
	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>
<u>b 138.10 State Education</u>			<u>\$132,813,671</u>	<u>\$130,279,159</u>
	<u>Programs (17700)</u>			
<u>c</u>	<u>Distribution of State</u>	<u>\$132,813,671</u>	<u>\$130,279,159</u>	
	<u>Education Assistance</u>			
	<u>(17701)</u>			
	<u>Fund Sources:</u>			
<u>d</u>	<u>General</u>	<u>\$132,703,671</u>	<u>\$125,816,329</u>	
	<u>Special</u>	<u>\$110,000</u>	<u>\$125,000</u>	
	<u>Trust and Agency</u>	<u>\$0</u>	<u>\$4,337,830</u>	

A. The appropriations within this agency shall be adjusted as follows:

<u>a</u>	<u>General Fund</u>	<u>First Year</u>	<u>Second Year</u>
	<u>Appropriations</u>	<u>FY2023</u>	<u>FY2024</u>
<u>b</u>	<u>Update Average Daily</u>	<u>\$28,389,627</u>	<u>\$42,826,514</u>
	<u>Membership</u>		
	<u>projections</u>		

	<u>based on Fall</u>		
	<u>Membership</u>		
<u>c</u>	<u>Update costs of</u>	<u>\$1,233,501</u>	<u>\$1,241,783</u>
	<u>Categorical programs</u>		
<u>d</u>	<u>Update costs of</u>	<u>(\$16,271,483)</u>	<u>(\$6,450,403)</u>
	<u>Incentive programs</u>		
<u>e</u>	<u>Update Fall</u>	<u>\$97,384</u>	<u>\$214,336</u>
	<u>Membership data in</u>		
	<u>Direct Aid</u>		
	<u>program formulas</u>		
<u>f</u>	<u>Update Lottery</u>	<u>\$9,499,460</u>	<u>(\$4,337,838)</u>
	<u>proceeds for public</u>		
	<u>education</u>		
<u>g</u>	<u>Update program</u>	<u>\$9,139,785</u>	<u>\$9,139,785</u>
	<u>participation for</u>		
	<u>Remedial Summer</u>		
	<u>School</u>		
<u>h</u>	<u>Update sales tax</u>	<u>\$0</u>	<u>(\$93,912)</u>
	<u>distribution for school</u>		
	<u>age</u>		
	<u>population</u>		
<u>i</u>	<u>Update sales tax</u>	<u>\$90,474,422</u>	<u>\$77,507,889</u>
	<u>revenue for public</u>		
	<u>education</u>		
<u>j</u>	<u>Update Supplemental</u>	<u>(\$335,000)</u>	<u>\$0</u>
	<u>Education accounts</u>		

<u>k</u>	<u>Update the cost of</u>	<u>(\$104,903)</u>	<u>\$0</u>
	<u>Lottery-funded</u>		
	<u>programs</u>		
<u>l</u>	<u>Update the state cost</u>	<u>\$2,147,022</u>	<u>\$4,647,991</u>
	<u>for English as a</u>		
	<u>Second Language</u>		
<u>m</u>	<u>Update Academic</u>	<u>\$1,104,051</u>	<u>\$1,120,184</u>
	<u>Year Governor's</u>		
	<u>School per</u>		
	<u>pupil amounts</u>		
<u>n</u>	<u>Use Lottery fund</u>	<u>(\$9,499,465)</u>	<u>\$0</u>
	<u>balances to support</u>		
	<u>existing appropriation</u>		
<u>o</u>	<u>General Fund Total:</u>	<u>\$115,874,401</u>	<u>\$125,816,329</u>

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<u>a</u>	<u>Nongeneral Fund</u>	<u>First Year</u>	<u>Second Year</u>
	<u>Appropriations</u>	<u>FY2023</u>	<u>FY2024</u>
<u>b</u>	<u>Increase nongeneral</u>	<u>\$110,000</u>	<u>\$125,000</u>
	<u>fund appropriation for</u>		
	<u>Summer Residential</u>		
	<u>Governor's World</u>		
	<u>Language</u>		
	<u>Academies</u>		
<u>c</u>	<u>Update Lottery proceeds</u>	<u>(\$9,499,462)</u>	<u>\$4,337,830</u>
	<u>for public education</u>		

